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SURFACE TRANSPORTATION BOARD
OF COUNSEL
URBAN A. LESTER

June 5, 2003

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Commercial Security Agreement Modification Agreement, dated May 30, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Commercial Security Agreement which was previously filed with the Board under Recordation Numbers 24420.

The names and addresses of the parties to the enclosed document are:

Debtor: Midwest Railcar Corporation
9876 213th Avenue NW
Elk River, MN 55330

Secured
Party: First Mid-Illinois Bank and Trust, NA
12616 State Route 143
Highland, IL 62249

A description of the railroad equipment covered by the enclosed document is:

Forty gondolas within the series SATX 1022 – SATX 7109

Mr. Vernon A. Williams
June 5, 2003
Page Two

A short summary of the document to appear in the index follows:

Memorandum of Commercial Security Agreement Modification Agreement

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/anr
Enclosures

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT
MODIFICATION AGREEMENT**

dated May 30, 2003

by and between

**MIDWEST RAILCAR CORPORATION,
as Debtor**

and

**FIRST MID-ILLINOIS BANK & TRUST, NA
as Secured Party**

MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT
MODIFICATION AGREEMENT

THIS MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT MODIFICATION AGREEMENT (this "Agreement") is made this 30th day of May, 2003, by and between **MIDWEST RAILCAR CORPORATION**, an Illinois corporation ("the "Debtor"), and **FIRST MID-ILLINOIS BANK AND TRUST, NA**, a state-chartered Federal Reserve Member bank organized under the laws of the State of Illinois ("the Secured Party"), witnesseth:

RECITALS

- A. The Debtor and the Secured Party are parties to that certain Loan Agreement dated as of January 9, 2003 and amended May 30, 2003 (collectively, the "Loan Agreement"), pursuant to which the Secured Party agreed to extend to the Debtor a line of credit described in the Loan Agreement.
- B. To secure the Debtor's Obligations (as defined in the Loan Agreement) to the Secured Party, the Debtor executed and delivered to the Secured Party a Commercial Security Agreement dated as of January 2, 2003, pursuant to which the Borrower granted to the Bank a continuing, first priority security interest in and to, and lien on, certain railcars.
- C. A Memorandum of Commercial Security Agreement (the "Memorandum of Commercial Security Agreement") was filed and recorded with the Surface Transportation Board pursuant to 49 U.S.C 11301 (a) on April 23, 2003 at 4:01 p.m. under Recordation No. 24420.
- D. The Debtor subsequently purchased forty (40) Thrall built, coal gondolas (collectively, the "Railcars") described on **Exhibit A** attached hereto.
- E. The Secured Party and the Debtor executed a Commercial Security Agreement Modification Agreement dated as of the date hereof pursuant to which the parties amended Schedule 1 to the Commercial Security Agreement by adding the car marks and numbers of the Railcars to the collateral listed therein.
- F. The Secured Party and the Debtor desire to amend certain provisions of the Memorandum of Commercial Security Agreement.

TERMS

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Secured Party and the Debtor hereby agree as follows:

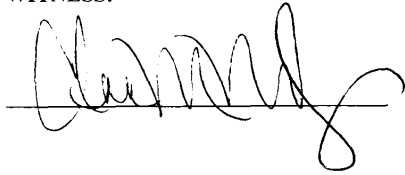
- 1. The facts set forth above are true and accurate in each respect.
- 2. The Memorandum of Commercial Security Agreement is hereby amended as follows: **Exhibit A** attached to the Memorandum of Commercial Security Agreement is amended by adding the car marks and numbers of the Railcars.
- 3. The term "this Memorandum" as used in the Memorandum of Commercial Security Agreement shall mean the Memorandum of Commercial Security Agreement as modified herein unless the context clearly indicates or dictates a contrary meaning.

4. This Agreement may not be amended, changed, modified, altered, or terminated without in each instance the prior written consent of the Secured Party. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois.
5. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one agreement.

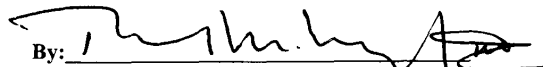
(SIGNATURES APPEAR ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

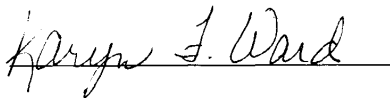
WITNESS:



MIDWEST RAILCAR CORPORATION

By: 
Richard M. Murphy, III, President

WITNESS:



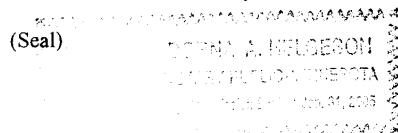
FIRST MID-ILLINOIS BANK AND TRUST, NA


By: 
Gordon D. Smith, Community President

STATE OF Minn, County of Sherburne

On this 30th day of May, 2003, before me, a Notary Public of the County and State aforesaid, personally appeared Richard M. Murphy, III, to me personally known, who being by me duly sworn, says that he is the President of Midwest Railcar Corporation, an Illinois corporation, that the seal affixed to the foregoing instrument is the seal of said association, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and the acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal

(Seal) 

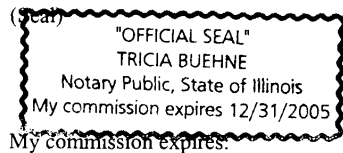

Notary Public

My commission expires: 1-31-05

STATE OF ILLINOIS, County of Madison

On this 28 day of May, 2003, before me, a Notary Public of the County and State aforesaid, personally appeared Gordon D. Smith, to me personally known, who being by me duly sworn, says that he is a President of FIRST MID-ILLINOIS BANK AND TRUST, NA, that the seal affixed to the foregoing instrument is the seal of First Mid-Illinois Bank and Trust, NA, that said instrument was signed and sealed on behalf of First Mid-Illinois Bank and Trust, NA by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of First Mid-Illinois Bank and Trust, NA.

AS WITNESS my hand and notarial seal



Tricia Buehne
Notary Public

EXHIBIT "A"

DESCRIPTION OF RAILCARS

Forty (40), Thrall built, coal gondolas bearing the reporting marks:

Car Mark/Number		Built
SATX	1022	1/76
SATX	1032	1/76
SATX	1041	1/76
SATX	1048	1/76
SATX	1062	1/76
SATX	1087	1/76
SATX	1139	1/77
SATX	1150	1/77
SATX	1183	8/81
SATX	1247	5/89
SATX	2009	2/76
SATX	2010	2/76
SATX	2032	2/76
SATX	2044	2/76
SATX	2067	2/76
SATX	2070	2/76
SATX	2103	2/76
SATX	3003	2/76
SATX	3032	2/76
SATX	3037	2/76
SATX	3051	2/76
SATX	3054	2/76
SATX	3077	2/76
SATX	4001	2/76
SATX	4010	2/76
SATX	4039	2/76
SATX	4045	2/76
SATX	4068	9/76
SATX	4076	9/76
SATX	4082	9/76
SATX	6019	9/76
SATX	6050	9/76
SATX	6100	9/76
SATX	7004	9/76
SATX	7011	9/76
SATX	7052	9/76
SATX	7057	9/76
SATX	7059	9/76
SATX	7079	9/76
SATX	7109	9/76